

3/9/09 (9)

~~Agenda #4~~
~~3/5/09~~**Maryjane Kenney****From:** Steve Ledoux**Sent:** Thursday, March 05, 2009 10:49 AM**To:** Manager Department

For tonight

COMMONWEALTH'S PARTNERSHIP WITH ITS MUNICIPALITIES

INTERNET ADVERTISING OF PROCUREMENTS Sections 1, 7 and 8 allow municipalities and state agencies to post notices of

procurements on the internet instead of in a local newspaper. Municipalities could post the notices on either their own or the commonwealth's website. The Operational Services Division estimates that this change will save cities and towns thousands of dollars each year.

REVERSE AUCTIONS

Sections 2 and 10 allow procurement officers to use reverse auctions to buy products and services from sellers who bid against each other for the product or service being auctioned. This process provides a method of acquiring best pricing from qualified bidders.

SLIBMISSION OF ELECTRONIC BIDS

Sections 3, 7 and 9 will allow municipalities to accept online/electronic bids and proposals on their own website or on the Commonwealth's procurement website, Comm-PASS. This section provides environmental and financial benefits and allow for greater flexibility for municipalities and bidders.

INCREASED BIDDING THRESHOLDS

Sections 4 to 6 increase the thresholds for municipal procurements, allowing them to award contracts of up to \$10,000 based on sound business practices and to award contracts between \$1 0,000 and \$25,000 after soliciting three

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quotations.

CIVIL SERVICE MAXIMUM AGE

Sections 11 and 12 authorize an appointing authority to apply to the personnel administrator to waive the civil service maximum age requirement for certain individuals based on extenuating circumstances, consistent with the fundamental purposes of the requirement.

REVISED PROVISIONS FOR TRANSFER OF MUNICIPAL RETIREMENT SYSTEMS INTO PRIT

Section 13 provides that a system that has voluntarily transferred its assets to PRIT before receiving a notice from PERAC that the system is underperforming shall be exempt from the requirement that the transfer be in perpetuity. Section 14 provides a simplified appeal process for those systems that appeal for an exemption from a transfer order.

PRO-RATING OF INSURANCE FOR PART-TIME EMPLOYEES

Section 15 allows a municipality to pro-rate its contribution for a part-time employee's health insurance premium based on the number of hours per week worked by the employee.

TRANSFER OF ELIGIBLE MUNICIPAL RETIREES INTO MEDICARE

Sections 16 and 17 reduce municipal benefit costs by requiring that all eligible retired local employees enroll in Medicare as their primary source of health insurance coverage. Both the state and MassPort require this of their employees. Municipalities currently have the option of adopting Section 18 of Chapter 32B to implement this requirement, but a significant fraction of cities and towns have not done so. As a result, their retirees remain in the community's health plan rather than enroll in Medicare, at considerable and unnecessary expense to local taxpayers.

PROVISION OF GIC COMPARABLE HEALTH INSURANCE

Sections 18 and 19 require that municipalities either enter the GIC or achieve GIC-equivalent or better rates. The GIC entry threshold is lowered from 70% to 50% to help municipalities meet this requirement. If a municipality does not meet the standard with assistance of the lower threshold, that municipality's unrestricted general government aid will be reduced by the difference between their rates and the GIC rates.

VALIDATION OF LOCAL ELECTIONS BY SECRETARY OF STATE

Section 20 allows the Secretary of State to validate a town election or actions taken at a town meeting where an inadvertent failure to comply with certain procedural requirements occurred, but the result did not contradict the fundamental purposes of those requirements and the error was unlikely to affect the outcome of the election or meeting.

LONG-TERM MUNICIPAL LEASES

Section 21 allows municipalities to enter into leases of up to 99 years. Currently, a lease of more than 10 years requires a home rule petition to the legislature.

COLLECTIVE BARGAINING AND REGIONAL ENTITIES

Section 22 provides that a municipal decision to enter into an intermunicipal agreement or join a regional entity shall not be subject to collective bargaining.

COLLECTIVE PURCHASING BY EDUCATIONAL COLLABORATIVES

Section 23 allows education collaboratives to enter into bulk purchasing agreements with public entities outside our state borders.

MUTUAL AID AGREEMENT

Section 24 allows cities, towns and other governmental units in Massachusetts to join a statewide mutual aid agreement to provide police, fire, emergency medical, and other public safety assistance to other municipalities.

REVIEW OF ASSESSMENT CERTIFICATION SCHEDULE

Section 25 allows DOR to adjust the scheduled year for triennial certification of local assessing practices in order to equalize the number of communities scheduled in each year and to facilitate or implement regional and other cooperative assessing arrangements. This will enable DOR and local assessors to more efficiently and effectively carry out their responsibilities in ensuring current fair market values on an annual basis. Similar and nearby communities will be able to share consultants and market data, thereby resulting in more accurate assessments for local taxpayers.

JOINT OR REGIONAL ASSESSING AGREEMENTS

Section 26 clarifies the law permitting joint or cooperative assessing agreements to allow cities and towns to share assessors as well as assessing department staff.

FLEXIBILITY IN MUNICIPAL AND REGIONAL SCHOOL DISTRICT

BORROWING

Sections 27 - 37 and 48 increase flexibility in municipal and regional school district borrowing by allowing borrowing for terms consistent with the maximum useful life of the asset, but not more than 30 years, as determined in accordance with guidelines established by the Division of Local Services of the Department of Revenue. The bill also increases flexibility for emergency borrowing, expedites the process for achieving savings through refinancings and removes overly restrictive requirements for amortization of debt.

ELIMINATION OF FEE FOR STATE HOUSE NOTES

Section 38 eliminates the fee charged to municipalities for the processing of State House Notes by the Director of Accounts. The revenue generated annually is a nominal amount. Eliminating this fee streamlines the processing of the notes

and reduces costs for local governments.

STREAMLINED ABATEMENT PROCESS

Section 39 streamlines the process by which local assessors can grant abatements without receiving prior approval from the department of revenue.

The commissioner will issue guidelines granting authority to abate for reasons determined by the commissioner to be in the public interest.

ALIDIT OF PERSONAL PROPERTY RETURNS

Sections 40 -47 allow a 3 year "look back" period to audit personal property taxpayers and assess additional taxes owed for underreporting. This applies to DOR for centrally valued assets and to local assessors for locally valued assets.

(Current law only allows assessors to revise tax assessments where the

Underassessment was unintentional due to clerical or data processing errors and only allows them until June 20th of the same fiscal year to uncover and assess for underreporting .)

LOCAL LICENSING AUTHORITY DISCRETION TO ESTABLISH QUOTA

Sections 49 - 51 give the legislative body of each municipality that has voted to grant licenses for the sale of alcoholic beverages the discretion to determine the number of licenses to be issued.

INCREASED THRESHOLD FOR CONSTRUCTION BONDS

Section 52 provides that a construction bond is required for contracts of more than \$25,000, an increase from the existing levels of \$2,000 for municipalities and \$5,000 for the Commonwealth.

SEPARATE TAXATION OF CONDO DEVELOPMENT RIGHTSIO'rHER INTERESTS

Section 53 allows taxation of additional units constructed or under construction on land subject to a condominium master deed to the developer who retains

development rights in the land. Those improvements now escape taxation until the master deed is amended because they are not separately taxable under the condo statute.

RETIREMENT SYSTEM FUNDING RELIEF

Section 54 allows communities seeking pension funding relief in the current financial climate to pursue one of two options. Both options provide some relief from required appropriations in the near future. The actuary of PERAC may establish appropriations in fiscal years 2010 and 2011 that are equal to the appropriations made in fiscal year 2009. Alternatively, in any system which chooses to conduct an actuarial valuation as of January 1, 2009, the actuary may establish the following reduced appropriations: (a) in fiscal year 2010, an appropriation that is less than the appropriation made in fiscal year 2009 but at least 90% of the appropriation made in fiscal year 2009; (b) in fiscal year 2011, an appropriation that is less than the appropriation made in fiscal year 2009 but at least 95% of the appropriation made in fiscal year 2009; and (c) in fiscal year 2012, an appropriation that is equal to the appropriation made in fiscal year 2009.

AMORTIZATION OF FY09 REVENUE DEFICIT

Section 55 gives municipalities the option of amortizing their fiscal year 09 revenue deficit over the next three fiscal years.

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